



**Board of County Commissioners**  
**Leon County, Florida**  
www.leoncountyfl.gov

Attachment # 1  
Page 1 of 39

**Agenda Item**  
**Executive Summary**

September 21, 2010

**Title:**

Authorization to Award Insurance Renewals for FY 10/11

**Staff:**

Parwez Alam, County Administrator  
Alan Rosenzweig, Assistant County Administrator  
Scott Ross, Director, Office of Management and Budget  
Karen Harrell, Risk Manager

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**Issue Briefing:**

This item seeks Board authorization to award insurance renewals for Property and Casualty and all other lines of insurance for FY 10/11. This item does not address health insurance renewals.

**Fiscal Impact:**

This item has a direct fiscal impact to the County. The overall cost of insurance premiums for FY10/11 will be \$1,060,615. This is a 10% savings over FY09/10. Funds are included in the FY10/11 budget.

**Staff Recommendation:**

Option #1: Authorize the award for the following insurance coverages for fiscal year FY2010/2011:

- Excess Workers' Compensation (\$139,493): Florida League of Cities Municipal Insurance Trust
- General Liability (including Public Official, Employee Practices Liability, Auto \$287,122): Brown and Brown
- As the provider for General Liability, authorize Brown and Brown to place pollution, accidental death and dismemberment and aviation liability coverages.
- Award property insurance to the Florida League of Cities Municipal Insurance Trust for FY2010/2011 (\$634,000).

Title: Authorization to Award Insurance Renewals for FY 10/11  
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## Report and Discussion

### **Background:**

Through a selection process administered in FY09/10, the County currently utilizes Brown and Brown and the Florida Municipal Insurance Trust (Florida League of Cities) to provide the County's insurance. The process selected the companies based on their ability to provide the necessary insurance coverages for the County. Both providers have provided quotes to the County for FY2010/2011 (Attachments #1, #2, and #3).

Attachment #4 reflects the specifications provided to each entity on providing the quotes. As noted on page 9 of 14:

The County requests all proposers to provide a premium breakdown for each policy option and coverage proposed. The County reserves the right to decide, at its discretion, which options and coverages shall be purchased, and in which combination, from among those proposed.

The County may benefit if able to combine coverage options from more than one quote. Each quote should state the extent to which individual coverages being proposed are separable without a change in premium cost.

*In the interest of the County, Leon County reserves the right to further negotiate final rates and terms with either of the bidders upon review of the bids.*

Through subsequent negotiations and discussions, both firms provided additional quotes for the County to consider.

### **Analysis:**

The County purchases three main lines of insurance (property, general liability, and excess workers' compensation) and then a series of smaller coverages. Table 1 provides a history of premiums and the proposed premiums for next fiscal year. A brief discussion of each line of insurance is discussed following the table.

Table 1: Historical and Recommended Premiums

| Category                     | FY2008      | FY2009      | FY2010      | FY2011<br>Recom. | Change FY10<br>v. FY11 |
|------------------------------|-------------|-------------|-------------|------------------|------------------------|
| Property (1)                 | \$1,343,955 | \$754,583   | \$687,296   | \$634,000        | (\$53,296) -8%         |
| General Liability (2)        | \$521,113   | \$373,990   | \$346,655   | \$287,122        | (\$59,533) -<br>17%    |
| Workers'<br>Compensation (3) | \$414,141   | \$284,048   | \$139,502   | \$139,493        | (\$9.00) 0%            |
| Total                        | \$2,279,209 | \$1,412,621 | \$1,173,453 | \$1,060,615      | (\$112,838) -<br>10%   |

(1) Named wind storm deductible reduced from 5% to 3%

(2) Includes auto and public official liability

(3) Moves the self insurance retention (SIR) beginning in FY2010 from \$350,000 to \$500,000

Property Insurance: The County received competitive quotes from both Brown and Brown and the Florida Municipal Insurance Trust Fund (Florida League of Cities). As part of the process, the League of Cities informed the County that if the County had been a renewing property insurance customer, Leon County would have received a \$228,000 return on premium. The County had property insurance with the League of Cities during FY2008/2009. During FY2009/2010, the County had Preferred Governmental Insurance Trust (PGIT, through Brown and Brown) for property insurance. By not being a League of Cities renewing customer, the County is not eligible for the return on premium next year.

Table 2: Comparison of Property Insurance Quotes

|                             | Brown and Brown | League of Cities |
|-----------------------------|-----------------|------------------|
| Premium                     | \$597,500 (1)   | \$634,000        |
| Policy Limit                | \$125,000,000   | \$150,000,000    |
| Named Wind Storm Deductible | 3%              | 3%               |
| Return on Premium Program   | No              | Yes (2)          |

(1) Requires a two year commitment.

(2) Return on Premium Program has been in effect for three consecutive years; future years not guaranteed.

In discussions with the League of Cities representatives, the Florida Municipal Insurance Trust has been providing the return on premium to its renewing members for the past three consecutive years. According to FMIT, the return on premium was \$10 million for FY06/07, \$8.0 million for FY07/08 and is scheduled for \$10.0 million for FY08/09. As shown in Attachment #1, to secure the County's business, the League of Cities has agreed to provide property insurance next year at a rate of \$634,000. In addition, the property insurance will have a reduced named windstorm deductible (3% down from 5%).

As part of the process, Brown and Brown provided an alternative quote of \$605,000 (Attachments #5 and #6). In addition, Brown and Brown offered a premium of \$597,500 if the County committed to two years. Table 3 provides a comparison of possible savings over the next four years depending upon which provider is selected.

Table 3: Comparison of Possible Cost Savings for Property Insurance

|             | Brown and Brown (1) | League of Cities (2) |
|-------------|---------------------|----------------------|
| FY10/11     | \$36,500            | 0                    |
| FY11/12     | \$36,500            | 0                    |
| FY12/13 (3) | \$36,500            | \$228,000            |
| FY13/14 (3) | \$36,500            | \$228,000            |
| Total       | \$146,000           | \$456,000            |

(1) Brown and Brown reflects premium differences between PGIT and League of Cities

(2) Reflects potential return on premium.

(3) These years are possible savings; the Brown and Brown estimates are based on the current quotes and the League of Cities is based on the current return on premium program being continued.

During the selection process, Brown and Brown (Attachment #7) alleged that "...the League is going to retain a lot more risk on this account." The League of Cities (Attachment #8) has provided assurance that Brown and Brown's allegations are false and can fulfill the commitments of its quote.

Staff is recommending that the Board award the Property Insurance to the Florida Municipal Insurance Trust for FY2010/2011. Over four years, the Brown and Brown quote could save up to \$146,000 while being with the League of Cities could save up to \$456,000.

General Liability (includes Public Official Liability, Employment Practices Liability, and Automobile): The County received three bids in this area. Staff is recommending the low bid (\$287,122) be awarded to Brown and Brown for placement with PGIT. As the provider for the general liability, Brown and Brown will also be responsible for placing the pollution, accidental death, and dismemberment and aviation liability coverages. These lines of coverage generally do not exceed \$100,000 annually. Brown and Brown provided a quote to remain with Travelers Insurance; however, the total premium quote was \$347,553 or \$60,403 more than placement with PGIT. FMIT provided a total quote of \$584,810 which included approximately \$60,000 in one-time costs. In terms of coverage, PGIT and Travelers both have \$3 million per occurrence and \$6 million total for the coverage period, while FMIT has a \$3 million per occurrence with no cap for the coverage period.

Excess Workers' Compensation: The County received three quotes in this area. Staff is recommending the low bid (\$139,502) be awarded to the Florida League of Cities. This quote maintains the County at the current self insured retention (SIR) of \$500,000. This means that the County will be responsible for the first \$500,000 of any claim. A previous review of the past five year's indicates that the County has never exceeded the \$350,000 threshold. The League of Cities has agreed to allow the County to continue to use the current County third party administrator for Workers' Compensation claims. Brown and Brown provided a quote of \$296,276 for a \$350,000 SIR.

**Options:**

1. Authorize the award for the following insurance coverages for fiscal year FY2010/2011:
  - Excess Workers' Compensation (\$139,493): Florida League of Cities Municipal Insurance Trust
  - General Liability (including Public Official, Employee Practices Liability, Auto \$287,122): Brown and Brown
  - As the provider for General Liability, authorize Brown and Brown to place pollution, accidental death, and dismemberment and aviation liability coverages
  - Award property insurance to the Florida League of Cities Municipal Insurance Trust for FY2010/2011 (\$634,000).
2. Board Direction.

**Recommendation:**

Option #1.

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Attachments:

1. Florida Municipal Insurance Trust Supplemental Letter
2. Florida Municipal Insurance Trust Cost Data Sheet
3. Brown and Brown Cost Data Sheet
4. Insurance Quote Specifications
5. Correspondence with the Brown and Brown
6. Supplemental Information from Brown and Brown
7. Brown and Brown E-mail Regarding League of Cities Reinsurance
8. League of Cities Response Regarding Reinsurance

PA/AR/ar

Alan Rosenzweig - property insurance

**From:** Tom Conley <TConley@flcities.com>  
**To:** 'Alan Rosenzweig' <RosenzweigA@leoncountyfl.gov>  
**Date:** 8/30/2010 10:19 AM  
**Subject:** property insurance

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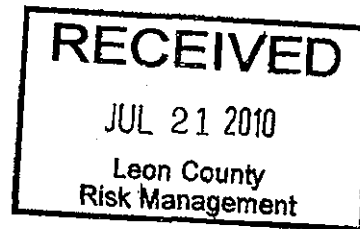
Alan,

We will write Leon County's property coverage for \$634,000, with a 3% named storm deductible, for the 2010/2011 policy year.

As you know, the FMIT is a non-profit program, providing insurance coverage for local governments. We are owned by our members, not by stockholders or a large insurance brokerage. Therefore, our focus is on our local government members. Back in 2008, our board of directors, who are local elected officials, decided to start our "return of premium" program, returning \$10,000,000 in property premiums back to our renewing members, because there were no hurricanes in 2006/2007. The FMIT has been a very successful program, and has surplus of over \$200,000,000. Thus, we are in a solid financial position and able to both protect our members and provide a benefit such as this to our loyal membership. The following year, \$8,000,000 was returned to our members with property coverage, based on another hurricane-free year in 2007/2008. This year, \$10,000,000 was again approved, based on the 2008/2009 year. Each year, this total has represented 25% - 30% of our renewing member's property premiums being returned to them. Had Leon County renewed their property insurance with us last year, and was renewing with us this year, there would have been a check written to the County for \$228,000 this coming November.

Our board's plan is to continue offering this program. Leon County's best option for participation is to choose the FMIT as it's property insurer, and to stay with the program long enough to get into the pipeline to start receiving "return of premium" checks upon future renewals. You and I discussed the loyalty factor in the insurance business, versus jumping from carrier to carrier every year. It is clear that the "return of premium" ties into that discussion. Please let me know if you need any further information.

Tom Conley  
Florida League of Cities  
(850) 342-1737



July 22, 2010

Leon County Board of County Commissioners  
Attn: Karen Harrell, Risk Manager  
301 South Monroe Street  
Tallahassee, FL 32301

Re: Bid for Property and Casualty Insurance Program

Dear Ms. Harrell:

We appreciate the opportunity to present you with our response to your request for Bid on your Property and Casualty Insurance Program. As always, we welcome the opportunity to meet with you at any time to discuss this matter.

The Florida League of Cities Insurance Program was established in 1977 to provide an affordable insurance alternative for the governmental entities of Florida. Over the years the Florida Municipal Insurance Trust has evolved into one of the largest public entities programs in the United States and is recognized for its outstanding service and broad coverage forms.

The Trust, governed by a board of elected officials, is a non-assessable, non-profit, tax-exempt risk sharing pool. It has superior financial strength presently highlighted by \$417 million in assets, \$220 million in surplus and over 600 members. With over 100 insurance professionals serving the FMIT, we have the resources and the product offering necessary to design a risk management solution to fit the unique coverage issues facing your City.

When examining other insurance markets, it will become obvious that our self-insured group concept is a most attractive insurance alternative. To be certain, the FMIT is highly qualified to meet all your risk management needs. Our expertise in the areas of public entity coverages, coupled with our outstanding claims, loss control, and a nationally recognized fraud (SIU) department translates to considerable service and savings.

Thank you for your time and consideration. We look forward to the chance to meet with you sometime in the near future.

Sincerely,

Tom Conley, Florida League of Cities  
North Florida Account Executive  
850-251-8722  
tconley@flcities.com

**COST DATA SHEET**

RE: Leon County 10/1/10 - 09/30/11 Insurance Coverage  
All SEALED BIDS DUE NO LATER THAN JULY 22, 2010 2:00 P.M.

Tail coverage and/or retroactive dates must be addressed where appropriate.  
All major coverages are effective 10/1/10 through 9/30/11

| # | Description  | Coverage/Service   | Annual Premium Amount  | Proposed Provider/Insurer         | Coverage Option  |
|---|--|--|------------------------|-----------------------------------|--|
| 1 | Property (includes Boiler & Machinery with Policy Limit of \$50MIL)      | Buildings, Contents, EDP, Inland Marine, Mobile Equipment, Boiler & Machinery<br>TIV \$278,453,217<br>Policy Limit \$150,000,000<br>Ded. \$25,000/%3 named windstorm | \$668,381              | Florida Municipal Insurance Trust | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____ |
| 2 | General Liability  | Bodily Injury & Property Damage; Personal Injury & Advertising Injury; Products & Completed Operations<br>Policy Limit \$3MIL<br>Ded. \$10,000                       | \$258,392              | Florida Municipal Insurance Trust | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____ |
| 3 | Public Official Liability & EPL  | Policy Limit \$3MIL<br>Ded. \$10,000   | \$189,330              | Florida Municipal Insurance Trust | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____ |
| 4 | Professional Liability (Med Mal) EMT/Paramedics, Medical Director only   | Policy Limit \$3MIL<br>Ded. \$10,000   | Included in GL premium | Florida Municipal Insurance Trust | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____ |
| 5 | Automobile Liability and Physical Damage \$1,000 comp & coll deductible. | 352 Units - Auto Liability<br>160 Units - Comprehensive<br>192 Units - Collision<br>Policy Limit \$3MIL<br>Ded. 10,000   | \$137,088              | Florida Municipal Insurance Trust | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____ |
| 6 | Excess Workers' Compensation   | SIR \$500,000<br>Part I - Statutory  | Duplicate Entry        | Florida Municipal Insurance Trust | This line of coverage may be _____   |



|   | Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000   |  |                                      | <input checked="" type="radio"/> Yes, no (circle one);<br>if no, this line<br>must be bundled with |
|---|---|--|--------------------------------------|--|
| 7 | Excess Workers'<br>Compensation<br>SIR \$500,000<br>Part I - Statutory<br>Part II - \$1MIL<br>Estimated Payroll<br>\$78,584,935 | \$139,493  | Florida Municipal<br>Insurance Trust | <input checked="" type="radio"/> Yes, no (circle one);<br>if no, this line<br>must be bundled with |
| 8 | Third Party<br>Administrator, WC<br>Claims adjusting;<br>Litigation Management;<br>Subrogation                                  | Variety of options,<br>please see Tab<br>'Proposal for IPA<br>Claims Handling<br>Services' | ASC                                  | <input checked="" type="radio"/> Yes, no (circle one);<br>if no, this line<br>must be bundled with |

The successful proposer for General Liability (including Employment Practices and Public Official Liability) will be assigned the responsibility to market and secure Pollution Liability, Accidental Death and Dismemberment, Volunteer Fire Services and Aviation Liability as indicated below:

|   |                                  |   |
|---|----------------------------------|---|
| 1 | Storage Tank Liability/Pollution | Public Entities, Tanks & Landfills<br>Policy Limit \$5MIL<br>Ded. \$10,000 Public Entities<br>\$25,000 Tanks & Landfills  |
| 2 | Accidental Death & Dismemberment | Law Enforcement:<br>Occupational: \$60K<br>Fresh Pursuit: \$60K<br>Intentional Death: \$180K<br><br>Community Services Program:<br>Blanket Accident Insurance<br><br>Policy Limit:<br>Medical: \$5,000<br>A & D: \$10,000 |
| 3 | Aviation                         | Law Enforcement Use:<br>2 Helicopters, liability only.<br>1 Helicopter, hull coverage<br>2 FLIR Systems<br><br>Policy Limit:<br>\$100K/Passenger<br>\$1MIL/Occurrence   |

|   |                         |   |
|---|-------------------------|---|
| 4 | Volunteer Fire Services | Ded.<br>\$1K Not In Motion<br>5% of Insured Value: In Motion  |
|   |                         | 1. Package:<br>Property; General Liability; Crime; Portable<br>Equipment; Management Liability<br><br>Policy Limits:<br>Property: \$54,675<br>Ded. \$250<br><br>General Liability:<br>\$1MIL/2MIL<br>Ded. N/A<br><br>Crime: \$25,000<br>Ded. N/A<br><br>Portable Equipment:<br>Guaranteed Replacement Cost<br>Ded. \$100<br><br>2. Commercial Auto:<br>Liability: \$1MIL<br>AV or ACV<br>Ded. \$100 |

This bid response is submitted by the below named firm/individual by the undersigned authorized representative:

Florida League of Cities, Inc.  
Firm Name

*for only*

\_\_\_\_\_  
Authorized Representative, Signature

Tom Conley, Account Executive  
Authorized Representative, Printed

Date: 7/19/2010



P.O. Box 2412 • Daytona Beach, FL 32115  
386/252-9601 • FAX 386/239-5729

July 20, 2010

Leon County Risk Management  
301 S. Monroe St.  
Room 201  
Tallahassee, FL 32301  
Attn: Ms. Karen Harrell

Dear Karen,

Enclosed please find two (2) Cost Data Sheets that outline our bids for the 10/1/2010 Leon County Insurance renewal. We have submitted the following:

Renewal Option 1: This quotation represents a renewal of the existing program with no change in Carriers. We have provided a Property quote from PGIT, Casualty (GL, Auto, POL, EPL) quotes from Travelers, Professional Liability from Admiral, and we have also provided a Workers Compensation quotation from PGIT. The only changes in coverage from last year are in the Property coverage. PGIT is now offering Blanket coverage and they have reduced their Named Windstorm deductible to 3%. I have included the AM Best ratings for Travelers and Admiral and although PGIT is not rated, they utilize all AM Best "A" Rated Carriers.

Renewal Option 2: This quotation represents a total offering (all lines) of coverage from PGIT. As you are aware, PGIT includes coverage for the Medical Director within the General Liability program so there would be no need to purchase a separate Professional Liability policy.

We appreciate the opportunity to provide the Quotations and are available to answer any questions you may have.

Kindest regards,

A handwritten signature in black ink, appearing to read 'Steve Farmer'.

Steve Farmer  
Vice President

RECEIVED

10 JUL 22 PM 1:04

COST DATA SHEET

RE: Leon County 10/1/10 - 09/30/11 Insurance Coverage  
All SEALED BIDS DUE NO LATER THAN JULY 22, 2010 2:00 P.M.

tail coverage and/or retroactive dates must be addressed where appropriate.  
All major coverages are effective 10/1/10 through 9/30/11

LEON COUNTY  
Attachment 2  
Description of Coverage

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JUL 22 2010

Leon County  
Risk Management

|   | Coverage/Service  | Annual Premium Amount   | Proposed Provider/Insurer                     | Coverage Option  |
|---|---|---|---|--|
| 1   | Property (includes Boiler & Machinery with Policy Limit of \$50MIL) | Buildings, Contents, EOP, Inland Marine, Mobile Equipment, Boiler & Machinery<br>TIV \$252,226,688<br>Policy Limit \$252,226,688*<br>Ded. \$25,000/5% named windstorm * | Preferred Governmental Insurance Trust (PGIT) | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____                 |
| 2   | General Liability   | Bodily Injury & Property Damage; Personal Injury & Advertising Injury; Products & Completed Operations<br>Policy Limit \$3MIL/\$6MIL<br>Ded. \$10,000                   | Preferred Governmental Insurance Trust (PGIT) | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____<br>POL/EPL,AUTO |
| 3   | Public Official Liability & EPL                                     | Policy Limit \$3MIL/\$3MIL<br>Ded. \$25,000   | (PGIT)  | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____                 |
| 4   | Professional Liability (Med Mal)                                    | Policy Limit \$1MIL/\$3MIL<br>Ded. \$2,500  | (PGIT)  | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____                 |
| 5   | Automobile Liability  | 352 Units - Auto Liability<br>160 Units - Comprehensive<br>192 Units - Collision<br>Policy Limit \$3MIL<br>Ded. 10,000  | (PGIT)  | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____                 |
| 6   | Excess Workers' Compensation  | SIR \$500,000/\$350,000<br>Part I - Statutory   |   | GL, POL/EPL<br>This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____  |
| *PGIT Property Policy Limit \$125,000,000 |   | \$296,276   | *PGIT Names Windstorm Deductible 3%           |  |

|   | Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000  |           |        | <input checked="" type="checkbox"/> purchased separately<br>yes/no (circle one);<br>if no, this line<br>must be bundled with                           |
|---|--|-----------|--------|--|
| 7 | Excess Workers' Compensation<br>SIR \$500,000<br>Part I - Statutory<br>Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000 | \$296,276 | (PGIT) | <input checked="" type="checkbox"/> This line of coverage may be purchased separately<br>yes/no (circle one);<br>if no, this line must be bundled with |
| 8 | Third Party Administrator, WC<br>Claims adjusting;<br>Litigation Management;<br>Subrogation                                  | \$ 55,875 | (PGCS) | <input checked="" type="checkbox"/> This line of coverage may be purchased separately<br>yes/no (circle one);<br>if no, this line must be bundled with |

The successful proposer for General Liability (including Employment Practices and Public Official Liability) will be assigned the responsibility to market and secure Pollution Liability, Accidental Death and Dismemberment, Volunteer Fire Services and Aviation Liability as indicated below:

|   |                                  |  |
|---|----------------------------------|--|
| 1 | Storage Tank Liability/Pollution | Public Entities, Tanks & Landfills<br>Policy Limit \$5MIL<br>Ded.\$10,000 Public Entities<br>\$25,000 Tanks & Landfills  |
| 2 | Accidental Death & Dismemberment | Law Enforcement:<br>Occupational: \$60K<br>Fresh Pursuit: \$60K<br>Intentional Death: \$180K<br><br>Community Services Program:<br>Blanket Accident Insurance<br><br>Policy Limit:<br>Medical: \$5,000.<br>A D & D: \$10,000 |
| 3 | Aviation                         | Law Enforcement Use:<br>2 Helicopters, liability only<br>1 Helicopter, hull coverage<br>2 FLIR Systems<br><br>Policy Limit:<br>\$100K/Passenger<br>\$1MIL/Occurrence   |

|   |                         |   |
|---|-------------------------|---|
| 4 | Volunteer Fire Services | Ded.<br>\$1K Not In Motion<br>5% of Insured Value: In Motion  |
|   |                         | 1. Package:<br>Property; General Liability; Crime; Portable<br>Equipment; Management Liability<br><br>Policy Limits:<br>Property: \$54,675<br>Ded. \$250<br><br>General Liability:<br>\$1MIL/2MIL<br>Ded. N/A<br><br>Crime: \$25,000<br>Ded. N/A<br><br>Portable Equipment:<br>Guaranteed Replacement Cost<br>Ded. \$100<br><br>2. Commercial Auto:<br>Liability: \$1MIL<br>AV or ACV<br>Ded. \$100 |

This bid response is submitted by the below named firm/individual by the undersigned authorized representative:  
Brown & Brown of Florida, Inc.

Firm Name



Authorized Representative, Signature

Stephen Farmer

Authorized Representative, Printed

Date: 7/20/10

RECEIVED

JUL 22 2010

Leon County  
Risk Management

COST DATA SHEET  
RE: Leon County 10/1/10 - 09/30/11 Insurance Coverage  
All SEALED BIDS DUE NO LATER THAN JULY 22, 2010 2:00 P.M.

RECEIVED

10 JUL 22 PM 1:04

Tail coverage and/or retroactive dates must be addressed where appropriate.

All major coverages are effective 10/1/10 through 9/30/11

LEON COUNTY  
Risk Management Office

| # | Description of Coverage   | Coverage/Service   | Annual Premium Amount | Proposed Provider/Insurer                     | Coverage Option  |
|---|---|--|-----------------------|---|--|
| 1 | Property (includes Boiler & Machinery with Policy Limit of \$50MIL) | Buildings, Contents, EDP, Inland Marine, Mobile Equipment, Boiler & Machinery<br>TIV \$252,226,688<br>Policy Limit \$252,226,688*<br>Ded. \$25,000/5% named windstorm* | \$635,000             | Preferred Governmental Insurance Trust (PGIT) | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____.                  |
| 2 | General Liability   | Bodily Injury & Property Damage; Personal Injury & Advertising Injury; Products & Completed Operations<br>Policy Limit \$3MIL/\$6MIL<br>Ded. \$10,000                  | \$167,986             | Travelers (A+, 15)                            | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____.                  |
| 3 | Public Official Liability & EPL                                     | Policy Limit \$3MIL/\$3MIL<br>Ded. \$25,000  | \$ 58,831             | Travelers (A+, 15)                            | POL/EPL, AUTO<br>This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____. |
| 4 | Professional Liability (Med Mal)                                    | Policy Limit \$1MIL/\$3MIL<br>Ded. \$2,500   | \$ 9,000              | Admiral (A+, 13)                              | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____.                  |
| 5 | Automobile Liability  | 352 Units - Auto Liability<br>160 Units - Comprehensive<br>192 Units - Collision<br>Policy Limit \$3MIL<br>Ded. 10,000   | \$111,736             | Travelers (A+, 15)                            | This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____.                  |
| 6 | Excess Workers' Compensation  | SIR \$500,000 \$350,000<br>Part I - Statutory<br>*PGIT Property Policy Limit \$125,000,000   | \$296,276             | PGIT  | GL, POL/EPL<br>This line of coverage may be purchased separately <u>yes</u> (circle one); if no, this line must be bundled with _____.   |

\*PGIT Named Windstorm Deductible 3%

|   |                               | Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000  |           |      | purchased separately<br>(yes/no (circle one));<br>if no, this line<br>must be bundled with                     |
|---|-------------------------------|--|-----------|------|--|
| 7 | Excess Workers' Compensation  | SIR \$500,000<br>Part I - Statutory<br>Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000 | \$296,276 | PGIT | This line of coverage may be purchased separately (yes/no (circle one)); if no, this line must be bundled with |
| 8 | Third Party Administrator, WC | Claims adjusting;<br>Litigation Management;<br>Subrogation                                   | \$ 55,875 | PGCS | This line of coverage may be purchased separately (yes/no (circle one)); if no, this line must be bundled with |

The successful proposer for General Liability (including Employment Practices and Public Official Liability) will be assigned the responsibility to market and secure Pollution Liability, Accidental Death and Dismemberment, Volunteer Fire Services and Aviation Liability as indicated below:

|   |                                  |  |
|---|----------------------------------|--|
| 1 | Storage Tank Liability/Pollution | Public Entities, Tanks & Landfills<br>Policy Limit \$5MTL<br>Ded. \$10,000 Public Entities<br>\$25,000 Tanks & Landfills   |
| 2 | Accidental Death & Dismemberment | Law Enforcement:<br>Occupational: \$60K<br>Fresh Pursuit: \$60K<br>Intentional Death: \$180K<br><br>Community Services Program:<br>Blanket Accident Insurance  |
| 3 | Aviation                         | Policy Limit:<br>Medical: \$5,000<br>A D & D: \$10,000<br><br>Law Enforcement Use:<br>2 Helicopters, liability only<br>1 Helicopter, hull coverage<br>2 FLIR Systems<br><br>Policy Limit:<br>\$100K/Passenger<br>\$1MIL/Occurrence |



|   |                         |   |
|---|-------------------------|---|
| 4 | Volunteer Fire Services | Ded.<br>\$1K Not In Motion<br>5% of Insured Value: In Motion  |
|   |                         | 1. Package:<br>Property; General Liability; Crime; Portable<br>Equipment; Management Liability<br><br>Policy Limits:<br>Property: \$54,675<br>Ded. \$250<br><br>General Liability:<br>\$1MIL/2MIL<br>Ded. N/A<br><br>Crime: \$25,000<br>Ded. N/A<br><br>Portable Equipment:<br>Guaranteed Replacement Cost<br>Ded. \$100<br><br>2. Commercial Auto:<br>Liability: \$1MIL<br>AV or ACV<br>Ded. \$100 |

This bid response is submitted by the below named firm/individual by the undersigned authorized representative:  
Brown & Brown of Florida, Inc.

Firm Name

*Signature*

Authorized Representative, Signature

Stephen Farmer

Authorized Representative, Printed

Date: 7/20/10



# Leon County

## Board of County Commissioners

301 South Monroe Street, Tallahassee, Florida 32301  
(850) 606-5302 www.leoncountyfl.gov

Attachment # 1  
Page 18 of 39

301 S. Monroe St., Room 201  
Tallahassee, Florida 32301  
(850) 606-5120  
Fax: 606-5103

### Commissioners

BILL PROCTOR  
District 1

JANE G. SAULS  
District 2

JOHN DAILEY  
District 3

BRYAN DESLOGE  
District 4

BOB RACKLEFF  
District 5

CLIFF THAELL  
At-Large

AKIN AKINYEMI  
At-Large

PARWEZ ALAM  
County Administrator

HERBERT W.A. THIELE  
County Attorney

### Florida League of Cities

135 E. Colonial Dr.

P.O. Box 530065

Orlando, FL 32853-0065

Attention: Tom Conley

### Certified Mail

7002 3150 0000 3831 4355

June 2, 2010

Dear Tom:

As one of two successful respondents/bidders to Leon County's Request for Qualifications (RFQ) for Insurance Broker Services effective 10/1/09, you are eligible to bid for any/all of the following lines of insurance coverage effective 10/1/10 thru 9/30/11:

1. Property (including Boiler and Machinery)
2. General Liability (including Public Official Liability & Employment Practices Liability)
3. Professional Liability (Med. Mal.)
4. Automobile Liability
5. Excess Workers' Compensation
6. Third Party Administrator (for Workers' Compensation)

The County will require quotes at the current limits, deductibles, and endorsements. Anniversary dates, current coverages, and insurers are attached. Proposers are to address retro dates and/or tail coverage specifications where applicable.

Consistent with the specifications of the 2009 RFQ, the successful bidder for General Liability will be assigned the responsibility to market and secure Pollution Liability, Accidental Death and Dismemberment, Volunteer Fire Services and Aviation Liability.

Proposals are expected from insurers with acceptable financial strength and acceptable (at the County's discretion) policyholder services reputation. Insurer name and Best's rating, if available, are to be furnished for each insurer being proposed.

The County requests all proposers to provide a premium breakdown for each policy option and coverage proposed. The County reserves the right to decide, at its discretion, which options and coverages shall be purchased, and in which combination, from among those proposed.

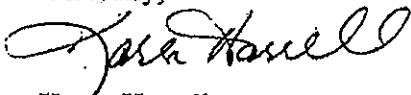
The County may benefit if able to combine coverage options from more than one quote. Each quote should state the extent to which individual coverages being proposed are separable without a change in premium cost.

In the interest of the County, Leon County reserves the right to further negotiate final rates and terms with either of the bidders upon review of the bids.

The successful agent(s)/broker(s) will be asked to commence servicing the account in conjunction with an October 1, 2010 renewal date of insurance coverages. The chosen organization(s) will be held to aggressive service requirements and high quality standards in providing service for the County.

Sealed quotes for insurance coverage(s) are due to Leon County Risk Management (301 S. Monroe St., Room 201, Tallahassee, FL 32301) no later than 2:00 p.m. Thursday, July 22, 2010. Attached is a Cost Data Sheet to be completed and submitted to the County.

Cordially,



Karen Harrell  
Risk Manager

KH/kh

Attachments:

Current coverage limits, deductibles and insurers  
Cost Data Sheet

LEON COUNTY DESCRIPTION OF CURRENT PROGRAM

| #  | Description                         | Coverage/Service   | Insurer/Provider                | Expires |
|----|-------------------------------------|--|---------------------------------|---------|
| 1  | Property                            | Buildings, Contents, EDP,<br>Inland Marine, Mobile<br>Equipment, Boiler &<br>Machinery<br><br>TIV \$252,226,688<br>Policy Limit \$252,226,688<br>Ded. \$25,000/5% named<br>windstorm | PGIT                            | 10/1/10 |
| 2  | Boiler & Machinery                  | Included<br><br>Policy Limit \$50MIL   | PGIT                            | 10/1/10 |
| 3  | General Liability                   | Bodily Injury & Property<br>Damage; Personal Injury &<br>Advertising Injury;<br>Products & Completed<br>Operations<br><br>Policy Limit \$3MIL/\$6MIL<br>Ded. \$10,000                | Travelers                       | 10/1/10 |
| 4  | Public Official<br>Liability & EPL  | Included<br><br>Policy Limit \$3MIL/\$3MIL<br>Ded. \$25,000  | Travelers                       | 10/1/10 |
| 5  | Professional<br>Liability (MedMal)  | Policy Limit \$1MIL/\$3MIL<br>Ded. \$2,500   | Admiral                         | 10/1/10 |
| 6  | Automobile<br>Liability             | 352 Units - Auto<br>Liability<br>160 Units - Comprehensive<br>192 Units - Collision<br><br>Policy Limit \$3MIL<br>Ded. 10,000  | Travelers                       | 10/1/10 |
| 7  | Excess Workers'<br>Compensation     | SIR \$350,000<br>Part I - Statutory<br>Part II - \$1MIL<br><br>Estimated Payroll<br>\$70,000,000   | FLC                             | 10/1/10 |
| 8  | Third Party<br>Administrator, WC    | Claims adjusting;<br>Litigation Management;<br>Subrogation   | PGCS                            | 10/1/10 |
| 9  | Storage Tank<br>Liability/Pollution | Public Entities, Tanks &<br>Landfills<br><br>Policy Limit \$5MIL<br>Ded. \$10,000 Public<br>Entities<br>\$25,000 Tanks & Landfills   | ACE, Illinois<br>Union Ins. Co. | 10/1/10 |
| 10 | Accidental Death &<br>Dismemberment | Law Enforcement:<br>Occupational: \$60K<br>Fresh Pursuit: \$60K<br>Intentional Death: \$180K   | AIG                             | 10/1/10 |

|    |                         |  |              |          |
|----|-------------------------|--|--------------|----------|
|    |                         | <p>Community Services Program:<br/>Blanket Accident Insurance</p> <p>Policy Limit:<br/>Medical: \$5,000<br/>A D &amp; D: \$10,000</p>  |              |          |
| 11 | Aviation                | <p>Law Enforcement Use:<br/>2 Helicopters, liability only<br/>1 Helicopter, hull coverage<br/>1 FLIR System</p> <p>Policy Limit:<br/>\$100K/Passenger<br/>\$1MIL/Occurrence</p> <p>Ded.<br/>\$1K Not In Motion<br/>5% of Insured Value: In Motion</p>  | Old Republic | 10/16/10 |
| 12 | Volunteer Fire Services | <p>1. Package:<br/>Property; General Liability; Crime; Portable Equipment; Management Liability</p> <p>Policy Limits:<br/>Property: \$54,675<br/>Ded. \$250</p> <p>General Liability:<br/>\$1MIL/2MIL<br/>Ded. N/A</p> <p>Crime: \$25,000<br/>Ded. N/A</p> <p>Portable Equipment:<br/>Guaranteed Replacement Cost<br/>Ded. \$100</p> <p>2. Commercial Auto:<br/>Liability: \$1MIL<br/>AV or ACV<br/>Ded. \$100</p> | VFIS         | 10/1/10  |

**COST DATA SHEET**  
RE: Leon County 10/1/10 - 09/30/11 Insurance Coverage  
All SEALED BIDS DUE NO LATER THAN JULY 22, 2010 2:00 P.M.

Tail coverage and/or retroactive dates must be addressed where appropriate.  
All major coverages are effective 10/1/10 through 9/30/11

| # | Description   | Coverage/Service   | Annual Premium Amount | Proposed Provider/Insurer | Coverage Option  |
|---|---|--|-----------------------|---------------------------|--|
| 1 | Property (includes Boiler & Machinery with Policy Limit of \$50MIL) | Buildings, Contents, EDP, Inland Marine, Mobile Equipment, Boiler & Machinery<br>TIV \$252,226,688<br>Policy Limit \$252,226,688<br>Ded. \$25,000/5% named windstorm |                       |                           | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____ |
| 2 | General Liability   | Bodily Injury & Property Damage; Personal Injury & Advertising Injury; Products & Completed Operations<br>Policy Limit \$3MIL/\$6MIL<br>Ded. \$10,000                |                       |                           | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____ |
| 3 | Public Official Liability & EPL                                     | Policy Limit \$3MIL/\$3MIL<br>Ded. \$25,000  |                       |                           | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____ |
| 4 | Professional Liability (Med Mal)                                    | Policy Limit \$1MIL/\$3MIL<br>Ded. \$2,500   |                       |                           | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____ |
| 5 | Automobile Liability  | 352 Units - Auto Liability<br>160 Units - Comprehensive<br>192 Units - Collision<br>Policy Limit \$3MIL<br>Ded. 10,000   |                       |                           | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____ |
| 6 | Excess Workers' Compensation  | SIR \$500,000<br>Part I - Statutory  |                       |                           | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____ |

|   | Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000  |  |  | purchased separately<br>yes/no (circle one);<br>if no, this line<br>must be bundled with                     |
|---|--|--|--|--|
| 7 | Excess Workers' Compensation<br>SIR \$500,000<br>Part I - Statutory<br>Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000 |  |  | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with |
| 8 | Third Party Administrator, WC<br>Claims adjusting;<br>Litigation Management;<br>Subrogation                                  |  |  | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with |

The successful proposer for General Liability (including Employment Practices and Public Official Liability) will be assigned the responsibility to market and secure Pollution Liability, Accidental Death and Dismemberment, Volunteer Fire Services and Aviation Liability as indicated below:

|   |                                  |   |
|---|----------------------------------|---|
| 1 | Storage Tank Liability/Pollution | Public Entities, Tanks & Landfills<br>Policy Limit \$5MIL<br>Ded.\$10,000 Public Entities<br>\$25,000 Tanks & Landfills   |
| 2 | Accidental Death & Dismemberment | Law Enforcement:<br>Occupational: \$60K<br>Fresh Pursuit: \$60K<br>Intentional Death: \$180K<br><br>Community Services Program:<br>Blanket Accident Insurance<br><br>Policy Limit:<br>Medical: \$5,000<br>A D & O: \$10,000 |
| 3 | Aviation                         | Law Enforcement Use:<br>2 Helicopters, liability only<br>1 Helicopter, hull coverage<br>2 FLIR Systems<br><br>Policy Limit:<br>\$100K/Passenger<br>\$1MIL/Occurrence  |

|   |                         |  |
|---|-------------------------|--|
| 4 | Volunteer Fire Services | Ded.<br>\$1K Not In Motion<br>5% of Insured Value: In Motion   |
|   |                         | <p>1. Package:<br/>Property; General Liability; Crime; Portable<br/>Equipment; Management Liability</p> <p>Policy Limits:<br/>Property: \$54,675<br/>Ded. \$250</p> <p>General Liability:<br/>\$1MIL/2MIL<br/>Ded. N/A</p> <p>Crime: \$25,000<br/>Ded. N/A</p> <p>Portable Equipment:<br/>Guaranteed Replacement Cost<br/>Ded. \$100</p> <p>2. Commercial Auto:<br/>Liability: \$1MIL<br/>AV or ACV<br/>Ded. \$100</p> |

This bid response is submitted by the below named firm/individual by the undersigned authorized representative:

Firm Name \_\_\_\_\_

Authorized Representative, Signature \_\_\_\_\_

Authorized Representative, Printed \_\_\_\_\_

Date: \_\_\_\_\_





# Leon County

Board of County Commissioners  
301 South Monroe Street, Tallahassee, Florida 32301  
(850) 606-5302 www.leoncountyfl.gov

Attachment # 1  
Page 25 of 39

301 S. Monroe St., Room 201  
Tallahassee, Florida 32301  
(850) 606-5120  
Fax: 606-5103

## Commissioners

BILL PROCTOR  
District 1

JANE G. SAULS  
District 2

JOHN DAILEY  
District 3

BRYAN DESLOGE  
District 4

BOB RACKLEFF  
District 5

CLIFF THAELL  
At-Large

AKIN AKINYEMI  
At-Large

PARWEZ ALAM  
County Administrator

HERBERT W.A. THIELE  
County Attorney

Brown & Brown of Florida, Inc.  
220 S. Ridgewood Ave.  
Daytona Beach, FL 32114  
Attention: Steve Farmer

Certified mail

7002 3150 0000 3831 4362

June 2, 2010

Dear Steve:

As one of two successful respondents/bidders to Leon County's Request for Qualifications (RFQ) for Insurance Broker Services effective 10/1/09, you are eligible to bid for any/all of the following lines of insurance coverage effective 10/1/10 thru 9/30/11:

1. Property (including Boiler and Machinery)
2. General Liability (including Public Official Liability & Employment Practices Liability)
3. Professional Liability (Med. Mal.)
4. Automobile Liability
5. Excess Workers' Compensation
6. Third Party Administrator (for Workers' Compensation)

The County will require quotes at the current limits, deductibles, and endorsements. Anniversary dates, current coverages, and insurers are attached. Proposers are to address retro dates and/or tail coverage specifications where applicable.

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The County may benefit if able to combine coverage options from more than one quote. Each quote should state the extent to which individual coverages being proposed are separable without a change in premium cost.

In the interest of the County, Leon County reserves the right to further negotiate final rates and terms with either of the bidders upon review of the bids.

The successful agent(s)/broker(s) will be asked to commence servicing the account in conjunction with an October 1, 2010 renewal date of insurance coverages. The chosen organization(s) will be held to aggressive service requirements and high quality standards in providing service for the County.

Sealed quotes for insurance coverage(s) are due to Leon County Risk Management (301 S. Monroe St., Room 201, Tallahassee, FL 32301) no later than 2:00 p.m. Thursday, July 22, 2010. Attached is a Cost Data Sheet to be completed and submitted to the County.

Cordially,



Karen Harrell  
Risk Manager

KH/kh

Attachments:

Current coverage limits, deductibles and insurers  
Cost Data Sheet

LEON COUNTY DESCRIPTION OF CURRENT PROGRAM

| #  | Description                         | Coverage/Service  | Insurer/Provider                | Expires |
|----|-------------------------------------|---|---------------------------------|---------|
| 1  | Property                            | Buildings, Contents, EDP,<br>Inland Marine, Mobile<br>Equipment, Boiler &<br>Machinery<br><br>TIV: \$252,226,688<br>Policy Limit \$252,226,688<br>Ded. \$25,000/5% named<br>windstorm | PGIT                            | 10/1/10 |
| 2  | Boiler & Machinery                  | Included<br><br>Policy Limit \$50MIL  | PGIT                            | 10/1/10 |
| 3  | General Liability                   | Bodily Injury & Property<br>Damage; Personal Injury &<br>Advertising Injury;<br>Products & Completed<br>Operations<br><br>Policy Limit \$3MIL/\$6MIL<br>Ded. \$10,000                 | Travelers                       | 10/1/10 |
| 4  | Public Official<br>Liability & EPL  | Included<br><br>Policy Limit \$3MIL/\$3MIL<br>Ded. \$25,000   | Travelers                       | 10/1/10 |
| 5  | Professional<br>Liability (MedMal)  | Policy Limit \$1MIL/\$3MIL<br>Ded. \$2,500  | Admiral                         | 10/1/10 |
| 6  | Automobile<br>Liability             | 352 Units - Auto<br>Liability<br>160 Units - Comprehensive<br>192 Units - Collision<br><br>Policy Limit \$3MIL<br>Ded. 10,000   | Travelers                       | 10/1/10 |
| 7  | Excess Workers'<br>Compensation     | SIR \$350,000<br>Part I - Statutory<br>Part II - \$1MIL<br><br>Estimated Payroll<br>\$70,000,000  | FLC                             | 10/1/10 |
| 8  | Third Party<br>Administrator, WC    | Claims adjusting;<br>Litigation Management;<br>Subrogation  | PGCS                            | 10/1/10 |
| 9  | Storage Tank<br>Liability/Pollution | Public Entities, Tanks &<br>Landfills<br><br>Policy Limit \$5MIL<br>Ded. \$10,000 Public<br>Entities<br>\$25,000 Tanks & Landfills  | ACE, Illinois<br>Union Ins. Co. | 10/1/10 |
| 10 | Accidental Death &<br>Dismemberment | Law Enforcement:<br>Occupational: \$60K<br>Fresh Pursuit: \$60K<br>Intentional Death: \$180K  | AIG                             | 10/1/10 |

|    |                         |   |              |          |
|----|-------------------------|---|--------------|----------|
|    |                         | <p>Community Services Program:<br/> Blanket Accident Insurance</p> <p>Policy Limit:<br/> Medical: \$5,000<br/> A D &amp; D: \$10,000</p>  |              |          |
| 11 | Aviation                | <p>Law Enforcement Use:<br/> 2 Helicopters, liability only<br/> 1 Helicopter, hull coverage<br/> 1 FLIR System</p> <p>Policy Limit:<br/> \$100K/Passenger<br/> \$1MIL/Occurrence</p> <p>Ded.<br/> \$1K Not In Motion<br/> 5% of Insured Value: In Motion</p>  | Old Republic | 10/16/10 |
| 12 | Volunteer Fire Services | <p>1. Package:<br/> Property; General Liability; Crime; Portable Equipment; Management Liability</p> <p>Policy Limits:<br/> Property: \$54,675<br/> Ded. \$250</p> <p>General Liability:<br/> \$1MIL/2MIL<br/> Ded. N/A</p> <p>Crime: \$25,000<br/> Ded. N/A</p> <p>Portable Equipment:<br/> Guaranteed Replacement Cost<br/> Ded. \$100</p> <p>2. Commercial Auto:<br/> Liability: \$1MIL<br/> AV or ACV<br/> Ded. \$100</p> | VFIS         | 10/1/10  |

**COST DATA SHEET**

RE: Leon County 10/1/10 - 09/30/11 Insurance Coverage  
All SEALED BIDS DUE NO LATER THAN JULY 22, 2010 2:00 P.M.

Tail coverage and/or retroactive dates must be addressed where appropriate.  
All major coverages are effective 10/1/10 through 9/30/11

| # | Description   | Coverage/Service   | Annual Premium Amount | Proposed Provider/Insurer | Coverage Option  |
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| 6 | Excess Workers' Compensation  |  |                       |                           | This line of coverage may be purchased separately yes/no (circle one); if no, this line must be bundled with _____ |

Attachment # 1  
Page 29 of 39

|   | Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000   |  |  | purchased separately<br>yes/no (circle one);<br>if 'no, this line<br>must be bundled with   |
|---|---|--|--|---|
| 7 | Excess Workers'<br>Compensation<br>SIR \$500,000<br>Part I - Statutory<br>Part II - \$1MIL<br>Estimated Payroll<br>\$75,000,000 |  |  | This<br>line<br>of<br>coverage<br>may<br>be<br>purchased<br>separately<br>yes/no (circle one);<br>if 'no, this line<br>must be bundled with |
| 8 | Third Party<br>Administrator, WC<br>Claims adjusting;<br>Litigation Management;<br>Subrogation                                  |  |  | This<br>line<br>of<br>coverage<br>may<br>be<br>purchased<br>separately<br>yes/no (circle one);<br>if 'no, this line<br>must be bundled with |

The successful proposer for General Liability (including Employment Practices and Public Official Liability) will be assigned the responsibility to market and secure Pollution Liability, Accidental Death and Dismemberment, Volunteer Fire Services and Aviation Liability as indicated below:

|   |                                  |   |
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| 1 | Storage Tank Liability/Pollution | Public Entities, Tanks & Landfills<br>Policy Limit \$5MIL<br>Ded.\$10,000 Public Entities<br>\$25,000 Tanks & Landfills   |
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| 3 | Aviation                         | Law Enforcement Use:<br>2 Helicopters, liability only<br>1 Helicopter, hull coverage<br>2 FLIR Systems<br><br>Policy Limit:<br>\$100K/Passenger<br>\$1MIL/Occurrence  |

|   |                         |   |
|---|-------------------------|---|
| 4 | Volunteer Fire Services | Ded.<br>\$1K Not In Motion<br>5% of Insured Value: In Motion  |
|   |                         | 1. Package:<br>Property; General Liability; Crime; Portable<br>Equipment; Management Liability<br><br>Policy Limits:<br>Property: \$54,675<br>Ded. \$250<br><br>General Liability:<br>\$1MIL/2MIL<br>Ded. N/A<br><br>Crime: \$25,000<br>Ded. N/A<br><br>Portable Equipment:<br>Guaranteed Replacement Cost<br>Ded. \$100<br><br>2. Commercial Auto:<br>Liability: \$1MIL<br>AV or ACV<br>Ded. \$100 |

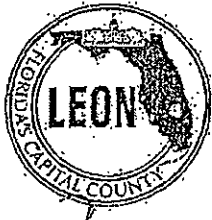
This bid response is submitted by the below named firm/individual by the undersigned authorized representative:

\_\_\_\_\_  
 Firm Name

\_\_\_\_\_  
 Authorized Representative, Signature

\_\_\_\_\_  
 Authorized Representative, Printed

\_\_\_\_\_  
 Date:



# Leon County

## Board of County Commissioners

301 South Monroe Street, Tallahassee, Florida 32301  
(850) 606-5302 www.leoncountyfl.gov

Attachment # 1

Page 32 of 39

### Commissioners

BILL PROCTOR  
District 1

September 1, 2010

JANE G. SAULS  
District 2

Steve Farnier  
Vice President

JOHN DAILEY  
District 3

Brown and Brown Insurance  
PO Box 2412

BRYAN DESLOGE  
District 4

Daytona Beach, FL 32115

BOB RACKLEFF  
District 5

Dear Steve,

CLIFF THAELE  
At-Large

Leon County appreciates Brown and Brown's initial response to the County's insurance needs for FY2010/2011.

AKIN AKINYEMI  
At-Large

Regarding property insurance; if Leon County had continued with the Florida Municipal Insurance Trust (FMIT) for FY2009/2010, Leon County (according to FMIT) would have received a \$228,000 return on premium next fiscal year. This would have created a total effective cost of property insurance for Leon County of \$440,000 next fiscal year.

HERBERT W.A. THIELE  
County Attorney

Leon County is interested in knowing if Brown and Brown wants to make a proposal that would match or exceed the FMIT program in terms of rebate.

I would appreciate a response no later than 5:00 PM, September 3, 2010.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen Harrell".

Karen Harrell  
Risk Manager

Note: This letter is being distributed via both facsimile and e-mail.





Brown & Brown of Florida, Inc.  
220 South Ridgewood Avenue (32114)  
P.O. Box 2412 • Daytona Beach, FL 32115  
386/252-9601 • FAX 386/239-5729

September 2, 2010

Ms. Karen Harrell  
Risk Manager  
Leon County  
Board of County Commissioners  
301 South Monroe Street  
Tallahassee, FL 32301

Dear Karen,

I have received the attached letter and am working with Leon County's current property insurance carrier (PGIT) on a response.

The letter states, "*Regarding property insurance, if Leon County had continued with the Florida Municipal Trust (FMIT) for FY2009/2010, Leon County (according to FMIT) would have received a \$228,000 return on premium next fiscal year*". I have reviewed all of the documents submitted by FMIT in response to RFQ BC-06-30-09-34 (2009 Qualifications for Insurance Broker Services) and find no mention of the \$228,000.00 "return on premium" referenced in the letter. I find no evidence that any such program was offered to Leon County as part of the FMIT responses.

The letter also states, "*Leon County is interested in knowing if Brown and Brown wants to make a proposal that would match or exceed the FMIT program in terms of rebate*". We requested, and received, the documents submitted by FMIT for the FY2010/2011 Insurance Bid and once again, there is no mention of any "return on premium" program offered to Leon County. It would appear that Leon County is asking us to respond to an FMIT return premium program for which no quote, proposal, or contractual language exist. Furthermore, there is no way for us to know what we are to match as nothing related to this FMIT program has ever been submitted as part of the FY2009/2010 OR FY2010/2011 bid process.

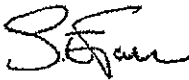
Brown & Brown of Florida and PGIT appreciate our relationship with Leon County and it is our goal to respond to this request in a manner that is beneficial to the County. In order to do so we require the following information:

1. Can you provide the language from the FMIT quotation for FY2009/2010 that describes the \$228,000 "return on premium" that is referenced in the letter, how it was to have been calculated, and formally offers this premium return to Leon County as part of their property insurance program?

2. Please provide the FMIT quotation for FY 2010/2011 that outlines the current "return on premium" program, how it is calculated, and any endorsement, policy, or contractual language that describes the terms and conditions that must be met for this premium return to be paid.
3. As you are aware, sealed bids for property insurance were due no later than 2:00pm on July 22, 2010 for FY 2010/2011. The documents from that bid show Brown & Brown / PGIT as the low bidder, by \$33,381.00, on the property insurance. Has FMIT been given the opportunity to provide a second bid? If so, please provide the revised premium offering from FMIT.

The answers to the questions above will give us the opportunity to best address your concerns. Thank you and I look forward to your reply.

Kindest regards,



Steve Farmer  
Sr. Vice President

Note: This letter is being distributed via e-mail and regular mail.

Alan Rosenzweig - Revised Quote

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From: "Steve Farmer" <SFarmer@BBDAYTONA.com>  
To: "Alan Rosenzweig" <RosenzweigA@leoncountyfl.gov>, "Karen Harrell"  
<HARRELLK@leoncountyfl.gov>  
Date: 9/7/2010 10:01 AM  
Subject: Revised Quote

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Alan and Karen,

We have discussed the FMIT quotation with PGIT and they have provided two revised quote options for Leon County to consider:

1. \$605,000 for the 10/1/2010-2011 policy period. Same terms and conditions as originally provided within the 7/22 sealed bid response
2. A two year policy from 10/1/2010 to 9/30/2012 with two annual payments of \$597,500. This quote covers two (2) annual twelve month periods, from 10/1/2010 to 10/1/2011 and from 10/1/2011 to 10/1/2012. Rates for the period of 10/1/2011 to 10/1/2012 will be identical to those for the period commencing 10/1/2010, subject to the following:
  - If PGIT's cost of securing excess insurance decreases by more than 10% on any line of coverage, PGIT will reduce rates on that line of coverage for the period of 10/1/2010 to 10/1/2011. This could result in a lower premium in year two.
  - If PGIT's cost of securing excess insurance increases by more than 20% on any lines of coverage, PGIT will increase rates on that line of coverage for the period 10/1/2011 to 10/1/2012. If this provision is triggered, Leon County will have the option to decline renewal of the program in year two without penalty.

While PGIT would like to respond to the FMIT "return of premium" program they are simply unable to do so as you have not provided any written documentation of the terms and conditions of the program. PGIT believes in offering their members the most competitive premiums upfront and have consistently provided Leon County with the lowest cost option for property insurance. Their quotation does not require a three year commitment, it offers a two year rate guarantee (if option 2 is selected), and the savings are not tied to hurricane or claims activity that may or may not affect Leon County and of which you have not control.

We believe that PGIT offers the best option for Leon County and its taxpayers. It provides premium savings now, the savings are guaranteed, and they are not dependent on outside factors that Leon County has no control of. We appreciate the opportunity to provide you with these quotations and look forward to working with you this year.

**Steve Farmer**

Vice President  
Brown & Brown of Florida, Inc.  
Direct line: 386-239-7233  
Fax line: 386-239-5705  
[sfarmer@bbdaytona.com](mailto:sfarmer@bbdaytona.com)

**Alan Rosenzweig - Insurance Quotation - Property**

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**From:** "Steve Farmer" <SFarmer@BBDAYTONA.com>  
**To:** "Alan Rosenzweig" <RosenzweigA@leoncountyfl.gov>, "Karen Harrell" <HARRELLK@leoncountyfl.gov>  
**Date:** 9/7/2010 2:45 PM  
**Subject:** Insurance Quotation - Property  
**CC:** <LongV@leoncountyfl.gov>, <AlamP@leoncountyfl.gov>

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Alan and Karen,

This morning I sent you the revised quotation from PGIT for the 10/1/2010 to 10/1/2011 property insurance renewal. In addition to being the low priced Carrier (with excellent terms, conditions, and stability) there are some other factors that you should consider as you make your decision. They are as follows:

1. PGIT has consistently been the low priced carrier for property insurance. Their direct involvement has resulted in an \$815,871.00 premium savings to Leon County over the past three years.
2. In 2009/2010, at no cost to Leon County, PGIT provided appraisal service for all locations on the Leon County property schedule. The appraisals provided much needed information on building valuation and will confirm buildings are insured to replacement cost value. By providing this service at no cost, PGIT saved Leon County thousands of dollars.
3. Leon County's relationship with both Brown & Brown and PGIT led to a \$22,924 Fireman's Fund grant awarded in September of 2009. This grant allowed the Leon County Fire Department to purchase much needed communications equipment for the Volunteer Fire Department.
4. PGIT has provided a quote for the Casualty insurance for the 2010-2011 renewal that is \$297,688 less than the FMIT quotation for the same lines of coverage.

PGIT has consistently been the low bidder on Property and Casualty insurance for Leon County since 2002. They have proven their commitment to Leon County over the years and provide a program that is strong in terms, conditions, and claims handling. We look forward to your decision and are hopeful Leon County will choose to continue the relationship with PGIT for Property and Casualty insurance coverage.

***Steve Farmer***

Vice President  
Brown & Brown of Florida, Inc.  
Direct line: 386-239-7233  
Fax line: 386-239-5705  
[sfarmer@bbdaytona.com](mailto:sfarmer@bbdaytona.com)

Alan Rosenzweig - Fw: Leon County

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**From:** "Steve Farmer" <SFarmer@BBDAYTONA.com>  
**To:** <rosenzweiga@leoncountyfl.gov>, <alamp@leoncountyfl.gov>, <longv@leoncountyfl.gov>  
**Date:** 9/10/2010 2:41 PM  
**Subject:** Fw: Leon County  
**CC:** "Tony Grippa" <tgrippa@BBDAYTONA.com>

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See below from Tony Grippa.

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Steve Farmer  
Sent from my BlackBerry Wireless Handheld

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**From:** Tony Grippa  
**To:** Steve Farmer  
**Sent:** Fri Sep 10 14:22:31 2010  
**Subject:** FW: Leon County

Please forward to the group of people below. For some reason it is not going through.

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**From:** Tony Grippa  
**Sent:** Friday, September 10, 2010 2:21 PM  
**To:** 'alamp@leoncountyfl.gov'; 'longv@leoncountyfl.gov'; 'rosensweiga@leoncountyfl.gov'  
**Subject:** FW: Leon County

Alan,

Please see below. It is apparent the League is going to retain a lot more risk on this account. It appears they quoted it without permission from Lexington, their primary reinsurance carrier. As mentioned earlier, PGIT only takes the first 25,000 of risk, and A rated insurance carriers (like Lexington) are on the rest of the risk. The email below indicates the LEAGUE IS TAKING SIGNIFICANTLY MORE RISK ON LEON COUNTY, BECAUSE IT WAS QUOTED WITHOUT PERMISSION OF LEXINGTON. This is a substantial issue as it relates to protecting the property related assets of the County. To my knowledge, Leon would be the only county written by the League where Lexington was not involved and self insurance of the unregulated trust was being used.

Thanks,

Tony

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**From:** Ann Hansen [mailto:ahansen@publicrisk.com]  
**Sent:** Wednesday, September 08, 2010 12:36 PM  
**To:** Steve Farmer; Tony Grippa

Cc: Bill Zimmer  
Subject: FW: Leon County

Steve/Tony,  
Per our previous conversation, see e-mail below from Lexington.

Ann Hansen  
Director of Operations  
Public Risk Underwriters of Florida Inc.  
615 Crescent Executive Court, Suite 600  
Lake Mary, FL 32746  
Phone 321-832-1510  
Fax 321-363-5330  
[ahansen@publicrisk.com](mailto:ahansen@publicrisk.com)

PLEASE NOTE: You cannot bind, alter or cancel coverage without speaking to an authorized representative of Public Risk Underwriters of Florida. Coverage cannot be assumed to be bound without confirmation from an authorized representative of Public Risk Underwriters of Florida.

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**From:** Godhwani, Sanjay <[Sanjay.Godhwani@chartisinsurance.com](mailto:Sanjay.Godhwani@chartisinsurance.com)>  
**To:** Liz White  
**Sent:** Wed Sep 08 10:46:01 2010  
**Subject:** Leon County

Liz,

I want to confirm that Lexington will only support the PGIT quotation for the Commercial Property coverage for Leon County. If there are other quotations from other brokers/pools that are utilizing Lexington, they will not be supported.

Regards,

Sanjay

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Insurance coverage cannot be bound, amended or changed via an e-mail message without knowledge or consent from the insuring carrier. If you have received this communication in error please notify us by e-mail: [Support@psrllc.com](mailto:Support@psrllc.com).

Thank you.

Alan Rosenzweig - reinsurance

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From: Tom Conley <TConley@flcities.com>  
To: 'Alan Rosenzweig' <RosenzweigA@leoncountyfl.gov>  
Date: 9/14/2010 1:36 PM  
Subject: reinsurance

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Alan,

This note is to address the concerns about reinsurance/excess insurance brought up by B&B. The FMIT has over 20 reinsurers backing the program. Several of them are also excess carriers on PGIT's program. Lexington is but one example. FMIT has the market capacity to insure Leon County's property. We would not put the entire Trust at risk and attempt to place the coverage "bare" without reinsurance for Leon County, or for any other member of our program, as Mr. Grippa suggests.

The decision needs to be made which program Leon County wants to participate in, FMIT or PGIT. The opportunity to participate in our "return of premium" program, and the fact that the League of Cities is a non-profit advocate for local government are reasons to choose FMIT which we have previously discussed. If the decision is to go with FMIT, then we would ask for the broker of record letter to be signed. That letter will put this whole issue of reinsurance to bed. Please let me know if you have further questions.

Tom Conley  
Florida League of Cities  
(850) 342-1737